

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 INT-05 FEA-01 SAB-01 L-03

CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 USIA-15 PRS-01

SP-02 /055 W

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R 101956Z FEB 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 6697

INFO USSOUTHCOM

PANCANAL

UNCLAS PANAMA 1006

E.O. 11652: N/A

TAGS: EMIN, PN

SUBJ: GOP APPROVES PROPOSED CERREO CLORADO CONTRACTS

REF: PANAMA 0101

1. THE CERREO COLORADO MINING DEVELOPMENT CORPORATION ANNOUNCED IN A FEBRUARY 9 PRESS CONFERENCE THAT PANAMANIAN LEGISLATIVE COUNCIL HAS APPROVED THE TWO PROPOSED CONTRACTS BETWEEN THE CORPORATION AND TEXASGULF INC. FOR EXPLOITATION OF THE CERRO COLORADO COPPER DEPOSIT (REFTEL). RODRIGO (RORRY) GONZALEZ, PRESIDENT OF CORPORATION'S EXECUTIVE BOARD, STATED THAT PRODUCTION, WHICH IS EXPECTED TO BEGIN IN 1981, WILL DURING FIRST 20 YEARS BEING PANAMA ESTIMATED REVENUES OF BETWEEN \$2.5 AND \$5 BILLION (DEPENDING ON PRICE OF COPPER). ANNUAL PRODUCTION OF 150,000 TONS OF COPPER IS ANTICIPATED, WITH OUTPUT EXPECTED TO CONTINUE FOR 20 TO 30 YEARS FOLLOWING EXPIRATION OF 20-YEAR RELATIONSHIP WITH TEXASGULF. IT IS ESTIMATED THAT A MAXIMUM OF 5,000 WORKERS WILL BE EMPLOYED IN CONSTRUCTION OF THE PROJECT, WHILE FROM 2,500 TO 3,000 WILL SUBSEQUENTLY BE DIRECTLY EMPLOYED IN MINING OPERATION.

2. COMMENT: LOCAL TEXASGULF OFFICE INDICATES THAT COMPANY'S BOARD OF DIRECTORS IS EXPECTED TO APPROVE UNCLASSIFIED

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CONTRACTS THIS WEEK. EACH STEP TOWARD FINAL SIGNATURE OF CONTRACTS IS BEING GIVEN CONSIDERABLE PRESS ATTENTION

LOCALLY TO EMPHASIZE MIDDLE AND LONG-RANGE POSITIVE
ECONOMIC BENEFITS FOR PANAMA.
JORDEN

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Message Attributes

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Disposition Event:
Disposition History: n/a
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